

## DECC Green Deal Communities Local Authority Fund

### APPLICATION FORM

**Please note:** completed bids should be submitted at the latest by 5pm on 31 December 2013 by email to [greendealcommunities@decc.gsi.gov.uk](mailto:greendealcommunities@decc.gsi.gov.uk)

#### SECTION 1 – OVERVIEW OF PROPOSAL

<b>1.1 Applicant Details</b>	
<b><i>Lead Local Authority</i></b>	
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<b><i>Other participating Local Authorities (add rows as needed)</i></b>	
Name of Local Authority	
Name of contact within the Local Authority	
Address	
Telephone number of contact	
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## 1.2 Summary of the proposal

Briefly give an overview of the proposal, how it will be delivered and by when (max 300 words)

Peterborough city offers a unique opportunity to undertake street-by-street rollout of Green Deal into hard-to-treat properties, part funded through Green Deal Communities Fund (GDCF), leveraging multiple existing linked initiatives<sup>1</sup>. Programme learnings will be relevant to many similar areas across Britain.

Central Peterborough contains a very high concentration of older solid-walled properties (~80% vs. ~30% nationally<sup>2,3</sup>), with very high private rented share (40%-70% vs. ~16% nationally<sup>4</sup>).

Three existing initiatives underpin this programme:

- “Operation Can-do”, a 10-year programme to improve quality of life in the 11,000 dwellings in the city’s most fuel poor areas<sup>5</sup>: Gladstone, Millfield and New England<sup>6</sup>;
- The “Heataborough” affordable warmth campaign<sup>7</sup>;
- The “Ready to Switch” collective switching campaign<sup>8</sup>.

This programme aims to drive street-by-street uptake of Green Deal in the above areas, focussed on solid wall insulation, glazing, loft insulation and boilers.

It will commence February 1<sup>st</sup> and run throughout 2014, comprising two phases:

1. Focussed on the ten streets in the Target Area with the most housing (~3,000 dwellings);
2. The remaining 8,000 dwellings.

High penetration of Green Deal Plans (GDPs) will be driven by two key factors:

1. Attractive commercial proposition – increase the landlord’s rental value with £5,000 of funding, the rest paid for by the tenant under Green Deal, saving the tenant £100 per annum on energy bills;
2. a strong campaign, involving ten demonstration homes, mobile demonstration units and outreach through local charity, community and faith leaders, schools and the health sector.

There is potential for a further powerful boost to uptake. PCC is consulting on Selective Licensing for landlords in the Target Area and, if ratified by the Council, will force private landlords to undertake these funded energy efficiency improvements<sup>9</sup>.

PCC requests £2.188m GDCF funding, and aims to deliver 1,050-2,025 GDPs.

<sup>1</sup> Peterborough City Council – Peterborough Housing Strategy 2011 to 2015, Adopted 22 February 2012

<sup>2</sup> Valuation Office Agency age band data used as a proxy (assuming pre-1965 solid wall), supported by random sample of 200 EPCs from within the ten streets that form Phase 1 in the Target Area for this programme and visual inspection of these streets by PCC housing staff

<sup>3</sup> DECC, Revised estimates of home insulation levels in Great Britain, April 2012

<sup>4</sup> Peterborough City Council: 2011 Census – Peterborough Ward Profiles

<sup>5</sup> Peterborough City Council: Home Energy Conservation Act 1995 – Report 31<sup>st</sup> March 2013

<sup>6</sup> Peterborough City Council: Operation Can Do. [http://www.peterborough.gov.uk/safer\\_peterborough/operation\\_can-do.aspx](http://www.peterborough.gov.uk/safer_peterborough/operation_can-do.aspx)

<sup>7</sup> [www.heataborough.co.uk](http://www.heataborough.co.uk)

<sup>8</sup> <http://www.readytoswitchpeterborough.co.uk/>

<sup>9</sup> Draft Licence, Clause 8 states: “The licence holder must not refuse or prevent any works proposed to improve the energy efficiency of their property if such works are grant funded. If the EPC certificate declares that the property does not achieve the minimum E rating, and the property is assessed as having a Category one hazard, then works must be carried out immediately to improve the energy efficiency and remove the category one hazard regardless of any grant funding.”

### 1.3 Stakeholder Engagement

Describe how your proposal has been developed and will be delivered with local partners, including local community organisations (max 200 words)

We plan to integrate GDCF into established schemes, taking advantage of existing stakeholder engagement across the Target Area, engaging community leaders and faith groups already active in Operation Can-do and through the ongoing DECC-funded “Ready to Switch” collective switching campaign.

Key PCC departments are Strategic Housing (who are leading the housing/licensing aspects of Operation Can-do), with support from Climate Change, Planning and Health, including links into our local Housing Associations Cross Keys and Axiom.

British Gas is actively involved through its partnership with PCC, in particular the “Heataborough” ECO campaign in the Target Area. GDCF Funding would enable their impact on the area to continue after the recent changes to ECO which are currently putting the programme at risk.

The city already benefits from Peterborough Environment City Trust (PECT), an independent local charity working for a greener, more sustainable city. It was set up after Peterborough's designation in 1992 as one of four UK Environment Cities. It will play a role in the delivery of this project, alongside the Peterborough Council for Voluntary Services (a charity set up by local organisations in 1980 as an umbrella and network organisation to Peterborough's voluntary sector) and Age Concern.

## SECTION 2 – MEETING THE CRITERIA

### 2.1 Delivering the Green Deal (see para 3.5 of guidance notes)

<p>Which streets and/or areas are to be targeted (please provide details, including postcodes)?</p>	<p>The proposed area covers the districts of Gladstone, Millfield, New England and Eastfield in central Peterborough (the “Target Area”). This area has a high density of private sector residential dwellings of older construction type.</p> <p>The Target Area consists of 10,933 properties (7,073 in Gladstone, Millfield and New England and 3,785 in Eastfield).</p> <p>There are 1,697 (1,019 in Gladstone, Millfield and New England and 678 in Eastfield) Registered Social Landlord properties in the proposed area.</p> <p>There are approximately 3,400 properties (2,421 in Gladstone, Millfield and New England and 1,025 in Eastfield) which have been identified as privately rented and will require a licence if the proposed Selective Licensing area is introduced.</p> <p>The Target Area covers 108 streets in Gladstone, Millfield and New England and 76 streets in Eastfield. There are 10 of the longest streets out of the 180 streets in this area that make up 3,076 of these properties – ie nearly 30% of the total - that are within the Operation Can-do area. These will be the focus</p>
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for Phase 1 of our campaign. Then the area will be expanded outwards from these areas for Phase 2 to encompass the whole Target Area.

The Phase 1 Target Area streets are:

Street	No of Properties
Bourges Boulevard	155
Clarence Road	256
Cromwell Road	272
Crown Street	219
Dogsthorpe Road	304
Eastfield Road	382
Gladstone Street	518
Harris Street	114
Lincoln Road	642
St Pauls Road	214

More details on the Target Area, including maps, are included in Appendix 1 of this document. Sample photographs are shown in Appendix 2, showing the relatively homogenous two and three bedroomed terraced homes across the Target Area, which will enable us to drive economies of scale through street-by-street rollout. They also demonstrate the variety of renders and finishes that have already been applied to some of the properties, such that the application of a more uniform external wall insulation finish will greatly improve the appearance of the streets and therefore assist in the urban regeneration goals of Project Can-do.

The level of privately rented accommodation in the Target Area has dramatically increased in the last 10 years. This was demonstrated in the 2011 Census showing the private rented sector representing over 40% in Gladstone, Millfield and New England and 33% in Eastfield compared to 20.5% across the City and 16% nationally.

Peterborough's 2013 HECA report states that these three areas contain the 15 LSOAs (of 104 in total) with the highest levels of fuel poverty in the city.

The area has multiple deprivation issues caused by a large influx of migrant workers from Eastern Europe who have crowded into the rental sector in this part of the city. This has made it an especially hard to reach area due to the multiple ethnicities and languages.

A significant proportion of the landlords in the Target Area have also been found to be hard to reach from a regulatory perspective; The Target Area is also the subject of Peterborough's "Selective Licensing" consultation, which will be voted upon by the Council in the coming weeks.

	<p>The private rented sector, and in particular within our Target Area, represents a great target market for the Green Deal. Penetration of energy efficiency measures is low. The English Home Condition Survey shows that the private rented sector has a higher proportion of:</p> <ul style="list-style-type: none"> <li>• F/G rated dwellings (11%, compared to 8% in owner occupied and 2-3% in social rented), which from 2018 it will not be permissible to let;</li> <li>• Dwellings of pre-1919 construction (37%, compared to less than 20% in other tenures) hence are more likely to be ‘hard-to-treat’; and</li> <li>• Dwellings that have been converted into flats (13%, compared to less than 5% in other tenures), hence ‘harder to reach’.</li> </ul> <p>This is largely due to what has been termed the “Landlord-Tenant Problem”, where the landlord has no incentive to install measures, whilst the tenant has no authority to do so, therefore the private rented sector has largely been passed over in successive energy efficiency obligations. Green Deal (particularly where partial funding for more expensive measures is made available through ECO or other sources) turns the tables – the landlord gets the benefit of energy efficiency improvements to the dwelling at zero capital cost, many of which (such as windows and external wall insulation) will improve the appearance and therefore rental value of their property, paid for by the tenant through their energy bill. This is good for landlord and tenant alike – the tenant benefits from a warmer home with lower energy bills and is protected from the Green Deal payments outweighing this benefit by the “Golden Rule”<sup>10</sup>, as well as any ECO or other funding obtained. In addition, for the least energy efficient properties, the minimum energy efficiency standard which will apply to the private rented sector from March 2018, will increasingly become a driver for landlords to take action as that date gets ever closer.</p>
<p>How many buildings (households and/or businesses) are being targeted in total?</p>	<p>In total we are targeting around 11,000 households in two phases, Phase 1 in the ten streets listed above (approximately 3,000 dwellings) and Phase 2 across the broader Target Area (8,000 dwellings). In these streets in particular there are high levels of privately rented properties (between 40% and 70%) (Source census 2011 data), with many of the properties having extremely poor EPC ratings of E and F.</p> <p>In these streets, over 80% of the buildings are of solid wall construction (source VOA<sup>11</sup> data, backed up by our analysis of 200 randomly selected EPCs).</p> <p>There are also approximately 400 dwellings that are arranged in small blocks of flats mainly also of older construction.</p>

<sup>10</sup> For clarity, the “Golden Rule” refers to the guarantee under a Green Deal Plan whereby the repayments for installed Green Deal measures made by a customer will not exceed the savings made on their energy bills as a result of the installed measures (for the first year).

<sup>11</sup> Valuation Office Agency

<p>Please provide a range of how many Green Deal Plans are expected to be entered into.</p>	<p>We are expecting between 1,050 and 2,025 Green Deal Plans entered into as a direct result of the incentive and promotion programme (base case 1,401).</p> <p>We expect a continuing expansion in the take-up across the area as a direct result of this initial incentivised programme to take the penetration to significantly higher levels.</p>
<p>Please give a best estimate of the range of the total amount of Green Deal finance that might be required</p>	<p>The Green Deal Finance requirement will be in the region of £3.63m to £7.00m (base case £4.85m), based on an average of just under £3,500 per property of Green Deal Finance. This is derived as follows (a detailed breakdown is provided in Appendix 3).</p> <p><b>Cost of energy efficiency measures:</b></p> <p>Given the emphasis of the programme being a street-by-street roll-out of external wall insulation, we have based our analysis on each property in the programme being provided with this measure, with a penetration of secondary measures determined by our detailed analysis of 200 randomly-selected existing EPCs from the Target Area (see below), which demonstrated that there will be significant demand for additional measures, of the order of:</p> <ul style="list-style-type: none"> <li>• Boiler replacement: 33% of dwellings</li> <li>• Double glazing replacement: 50% of properties</li> <li>• Loft insulation: 10% of properties</li> </ul> <p>This results in an average cost of measures per household of £8,440.</p> <p><b>Sources of Funding:</b></p> <p>On the basis of DECC’s recent announcement of a £90m support package for the private rented sector, combined with an extension of the Green Deal Cashback scheme to the end of June (with an increase in the support to £4,000 for EWI) and the increase of the Green Deal Cashback for SWI to £4,000, we have assumed that grant assistance or ECO funding at a rate of £4,000 per dwelling will be available for this mix of measures over the period of our GDCF programme (see Risks and Mitigation below). Where applicable, ECO funding through the area-based CSCO<sup>12</sup> scheme will also be used (see CSCO map in appendix 2). Our bid assumes further subsidy of just under £1,000 through the GD Communities Fund, leaving a customer contribution of approximately £3,500 through Green Deal Finance. On the basis of the typical Green Deal interest rates from the Green Deal Finance Company, the Green Deal Plans will then meet the “Golden Rule” as well as delivering an annual energy bill saving for the occupant of £100. We believe that a headline message of this level of annual energy saving is required in order to make the proposition attractive to landlord and tenant alike.</p>
<p>Is there a good knowledge of the housing stock in the</p>	<p>According to the VOA data for the wards where these areas are located, over 76% of the properties were built before 1965. We know from local knowledge that there is a huge predominance of pre-1940’s solid-walled terraced properties in the Target Area, and we have carried out a review of 200 EPCs within the Target Area, from which we have established that 81% of</p>

<sup>12</sup> Carbon Savings Communities Obligation.

<p>target streets, if not how will this be addressed in assessing the potential measures required?</p>	<p>the properties are of solid wall construction, and over 50% are recommended to have an upgraded boiler. The vast majority of the dwellings are in terraces, with the remainder being largely semi-detached (see photographs in Appendix 2).</p> <p>There is a good knowledge of the housing stock in these areas because they are the target areas of the Operation Can-do, referenced in the March 2013 HECA report<sup>13</sup>. As part of this programme, the Strategic Housing Team are currently undertaking a very detailed survey of all the housing with that area to collect data on the type, tenure and energy efficiency of the housing stock to support programmes such as this.</p> <p>The research that has been done on this area so far is predominantly to identify the location of Category 1 and 2 hazards. In 2009 the Private Sector Stock Condition Survey found that 23% of the city stock had Category 1 hazards, and a further 22% had Category 2 hazards which if not addressed will become a Category 1. A significant proportion of these are located in the Operation Can-do areas because the properties are older and neglected.</p> <p>Additionally, as per the HECA report, British Gas, our Strategic Partner for ECO and affordable warmth have been focusing their attention on this area since the summer of 2013 through the Heataborough project.</p>														
<p>Has a source of Green Deal assessors been identified?</p>	<p>From several previous energy efficiency initiatives undertaken by PCC, we are confident that there is a good supply of Domestic Energy Assessors and a growing supply of Green Deal Assessors in the local area. PCC intends to select one or more local providers under a “service concession” arrangement to undertake the GDARs<sup>14</sup> required in this project through a competitive tender which will be issued in early February. In line with the Green Deal Code of Practice, customers will also be free to select any suitably qualified assessor (see State Aid section below). Based on a success rate of one Green Deal Plan in three GDARs, the project will require approximately 8-10 assessors, as tabulated below:</p> <table border="1" data-bbox="470 1384 1385 1624"> <thead> <tr> <th colspan="2"><b>Numbers of Green Deal Assessors Required</b></th> </tr> </thead> <tbody> <tr> <td>Total Green Deal Plans written (central case)</td> <td>1,401</td> </tr> <tr> <td>Success rate of GDARs</td> <td>33%</td> </tr> <tr> <td>Number of GDARs undertaken</td> <td>4,203</td> </tr> <tr> <td>Number of days</td> <td>120</td> </tr> <tr> <td>GDARs per day per assessor</td> <td>4</td> </tr> <tr> <td>Green Deal Assessors required</td> <td>9</td> </tr> </tbody> </table>	<b>Numbers of Green Deal Assessors Required</b>		Total Green Deal Plans written (central case)	1,401	Success rate of GDARs	33%	Number of GDARs undertaken	4,203	Number of days	120	GDARs per day per assessor	4	Green Deal Assessors required	9
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<p>Is there one or more Green Deal Provider/s in place to deliver? If</p>	<p>To deliver the economies of scale of a “street by street” rollout, particularly for solid wall insulation, either one or two Green Deal Providers will be chosen, through a competitive tender process under a “service concession” arrangement (see State Aid section below). Alongside the normal price and quality considerations, the capability to deliver solid wall insulation in the volumes envisaged by the programme will be the key selection criterion. In</p>														

<sup>13</sup> Peterborough Home Energy Conservation Act Report 2013

<sup>14</sup> Green Deal Advice Report

<p>not, how will this be addressed to deliver the proposal?</p>	<p>line with the Green Deal Code of Practice, householders and landlords will have the freedom to choose their own GDP as an alternative.</p>
<p>Is an ECO provider in place to deliver? If not, how is ECO funding to be provided to support the proposal?</p>	<p>British Gas is already working with the City Council on the Heataborough project in the Operation Can Do area (as per HECA report). The scheme has been addressing solid wall insulation for CERO<sup>15</sup> and CSCO, and boiler upgrades under HHCRO<sup>16</sup>, all on a fully funded basis.</p> <p>As a result of the very recent changes the ECO scheme, British Gas are currently reassessing how they want to deliver their ECO support to the city from now on.</p> <p>On the basis of DECC's recent announcement of a £90m support package for the private rented sector, combined with an extension of the Green Deal Cashback scheme to the end of June and the increase of the Green Deal Cashback for SWI to £4,000 and with GD Communities funding this should enable the ECO support from British Gas to continue to support this area albeit at a lower and more sustainable level.</p> <p>The overlap between our Target Area and the CSCO qualifying LSOAs is shown in Appendix 1. DECC's proposed extension of the CSCO areas to the lowest 25% of LSOAs on the Index of Multiple Deprivation will result in the majority of our Target Area being covered by CSCO – which will help ensure that there will be ample ECO funding opportunities to supplement this project.</p>
<p>Please describe how the proposal will facilitate ongoing Green Deal work once this funding programme has ended.</p>	<p>This project is seeking to find a way to tackle the hard to reach private tenanted market place in a part of the city where there is a large migrant population, where English isn't the first language, and their stay in the property might be short due to the nature of the transient, rural labour market in this area.</p> <p>The funding is being used to incentivise early adopter activity in the private tenanted market in a drive to reach (and exceed) the minimum energy efficiency rating in line with the requirement under the PRS Regulations from April 2018, and to drive a sense of empowerment in the vulnerable tenant community that live in these areas to feel that they can demand improvements from their landlord.</p> <p>The programme will be targeting both the landlords and the tenants in separate communication drives so that both parties become knowledgeable and can understand the benefits that these improvements will bring to each of them.</p> <p>In fact, the Selective Licensing Programme that the City Council are currently</p>

<sup>15</sup> Carbon Emissions Reduction Obligation.

<sup>16</sup> Home Heating Cost Reduction Obligation.



	<p>seeking approval for will enforce a strengthened version of this tenant right to request improvements by obliging landlords to accept any energy efficiency improvement to their properties where there is funding available, which will greatly enhance the opportunity to make this scheme a success.</p> <p>So we believe that this programme will start the ball rolling now towards a goal that has to be achieved, and that would otherwise be very hard to get started due to the prevalence of unscrupulous landlords that are happy to stay under the radar for as long as they possibly can. The funding through this programme will initially represent the “carrot”, which will then (if approved) be strengthened by the “stick” of the forthcoming regulations.</p> <p>We believe that this programme is going to be a valuable demonstration pilot not just for Peterborough, but for other cities that are faced with the same “hard-to-reach” landlord/tenant communities with language barriers and a transient tenant population.</p>
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## 2.2 Innovation & partnerships (see para 3.6 of guidance notes)

Please set out a description of how the proposal will be delivered including details:

- of any local incentives to be offered;
- of how comprehensive is the offer in the target street/area;
- of the delivery options proposed;
- on the use of show homes, where appropriate;
- how local supply chain will be supported and developed;
- of any planning issues and how these have been addressed.

Maximum 1000 words.

**Opportunity for Green Deal Communities:** PCC believes that the Target Area presents an exciting opportunity to deploy a Green Deal Communities initiative:

- The high proportion of private rented accommodation means that a programme directed primarily at landlords should deliver economies of scale and scope;
- The landlords tend to demonstrate a high degree of commerciality, such that if a proposition is created that is economically attractive to them, uptake will be high;
- Creditworthiness of tenants will typically be insufficient for the tenant to get Green Deal Plan funding. However, high tenant turnover creates regular opportunities to undertake for Green Deals during void periods.
- The DECC announcement of £90 million over three years for private landlords, stamp duty rebates of up to £4,000 for SWI, the recently extended GD Cashback scheme, as well as ECO funding through CERO or CSCO creates the potential for a commercially attractive landlord proposition.

### **Step 1 – Partner Selection**

PCC intends to appoint up to two preferred Green Deal Providers through a competitive tender process, as well as a source of approximately ten Green Deal Assessors from the local area via a “service concession” (see State Aid section below). Selecting a small number of providers and assessors will ensure that scale economies can be achieved from the geographically dense deployment. There will be an emphasis on local employment and opportunity in the tendering process, such that it will be designed to favour companies that propose local development opportunities.

### **Step 2: Show Homes**

Identification and comprehensive refurbishment of one show-home property in each of the 10 streets, with SWI, new boiler and controls, windows, draught proofing, loft insulation, energy monitoring – the costs of this will be met by the fund and the landlord / tenant will need to agree to make the home available as a show-home on a selection of 15 open days across 12 months.

### **Step 3: Proposition Development**

Detailed design of three incentive propositions, aimed at the landlords, the tenants and the owner occupiers.

The overall proposition will:

- Focus on EWI on terrace and semi-detached properties
- Also cater for boilers, glazing, loft insulation and other simple measures
- Provide £4,000 to fund EWI property (via GD cashback, ECO and/or DECC private landlords funding)
- Topped up by £1,000 from GD Communities funding, to ensure Golden Rule applies and provide a headline message of £100 per annum savings for tenant
- Remainder via Green Deal Plan – either entered into by existing tenant or by landlord during void period. Average Green Deal finance per property is forecast at £3,500 per property.

The landlord proposition will be sold as a no-cost property improvement that will:

- increase the sale value of the property
- increase the rental value potential of the property
- enable them to meet some the selective licensing property standard requirements
- get them ready for the 2018 regulation changes
- take advantage of brief void periods
- refund of the cost of the Green Deal Assessment (only if the landlord proceeds with a GDP)

Where the GDP is being provided with the tenant “in situ”, the tenant proposition will be sold as a chance to get their energy costs down:

- very high level of funding support including the GD Communities funding, ensuring that the “Golden Rule” applies and average savings of £100 per annum on bills are achieved
- increased comfort levels
- tied to the property and not to them

The owner occupier proposition will be a simpler but combined version of the landlord and tenant lists, but will also emphasis the improvement to the external appearance of their property, and the

fact that they can leave the Green Deal Finance attached to the property if they decide to move away.

#### **Step 4: Phase 1 Roll-Out**

An outreach programme into the ten selected streets of the Phase 1 area will be designed and led by the Strategic Housing Group in PCC, together with the chosen GDP partners, involving charities such as Peterborough Environment City Trust and Age UK, as well as leveraging Operation Can-Do's existing links with faith and community leaders, and local business networks in order to access the target market. There will also be awareness campaigns in the local schools and doctors' surgeries. The outreach will include a series of roadshows and demonstration days, inviting people to visit the show-homes on open days. Part of the GD Communities funding support will be used to develop relevant, engaging marketing materials backed by market research. The recruitment aims to deliver a minimum of 20% uptake of GDPs in the Phase 1 area to then result in significant economies of scale in delivery.

#### **Step 5: Phase 2 Roll-out**

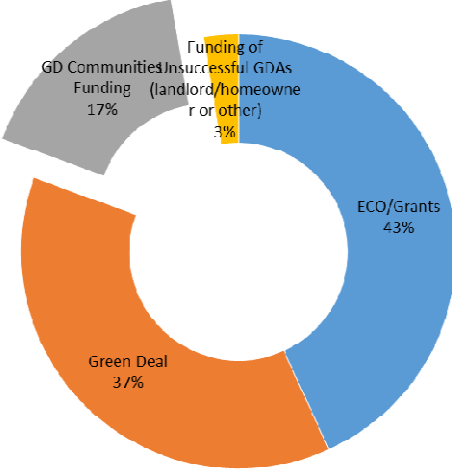
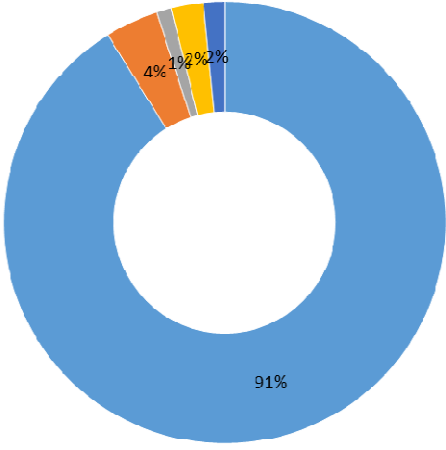
Phase 1 will be run for approximately six months before moving onto Phase 2. Learning the lessons from Phase 1, we will launch into a wider campaign, with the deployment of mobile interactive homes in void properties on a moving three week basis. We will endeavour to find void RSL homes in the right areas to use as our sites for housing these displays. We are already discussing the design of educational and inspirational displays, using the successful model designed by Solent Green Deal as our reference point (<http://www.solentgreendeal.org.uk/Page.aspx?ID=21>).

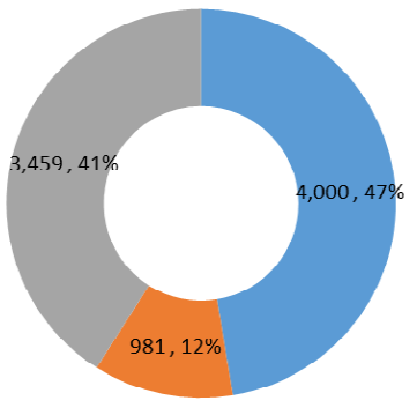
#### **Planning Considerations**

There are no specific planning considerations to take into account. All the roads in the Target Area have a mix of brick and rendered fascias already, so there is no requirement from our planning teams for any special considerations. The scale delivery of external wall insulation across a relatively homogenous property stock will ensure that a "cookie cutter" approach to planning issues will be possible.

## 2.3 Value for money (see para 3.7 of guidance notes)

<p>How much funding from DECC is being bid for?  <i>Eligible expenditure is net of VAT recoverable by the grant recipient from HM Revenue &amp; Customs, and gross of irrecoverable VAT.</i></p>	<p>£2.188m of GD Communities funding is being bid for.</p>																																													
<p>How will this be spent? (please provide a detailed breakdown) e.g:  Measures £x  Incentives £x  Show homes £x  Set-up/Admin costs for project (max 10%)  etc</p>	<p>The funding will be used as follows (further details in Appendix 3):</p> <table border="1" data-bbox="580 810 1407 1205"> <thead> <tr> <th colspan="3"><b>Uses of GD Communities funding</b></th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>"Per Household" Funding:</b></td> </tr> <tr> <td></td> <td><b>Per House</b></td> <td><b>Total Cost</b></td> </tr> <tr> <td>Funding for energy efficiency measures</td> <td>£981</td> <td>£1,374,466</td> </tr> <tr> <td>Refund of GDAR cost (only when GDP taken up)</td> <td>£120</td> <td>£168,108</td> </tr> <tr> <td>Incentivisation/Promotion</td> <td>£100</td> <td>£140,090</td> </tr> <tr> <td>Total "Per Household":</td> <td></td> <td>£1,682,664</td> </tr> <tr> <td colspan="3"><b>Scheme Funding:</b></td> </tr> <tr> <td></td> <td><b>Per Unit Cost</b></td> <td><b>Total Cost</b></td> </tr> <tr> <td>Demonstration Homes</td> <td>£15,000</td> <td>£150,000</td> </tr> <tr> <td>Mobile Demonstration Units</td> <td>£35,000</td> <td>£105,000</td> </tr> <tr> <td>Consumer Engagement and Marketing Materials</td> <td></td> <td>50,000</td> </tr> <tr> <td>Scheme Set-up, Administration, Procurement</td> <td></td> <td>200,000</td> </tr> <tr> <td>Total Scheme Funding:</td> <td></td> <td>£505,000</td> </tr> <tr> <td><b>Grand Total Funding:</b></td> <td></td> <td><b>£2,187,664</b></td> </tr> </tbody> </table>	<b>Uses of GD Communities funding</b>			<b>"Per Household" Funding:</b>				<b>Per House</b>	<b>Total Cost</b>	Funding for energy efficiency measures	£981	£1,374,466	Refund of GDAR cost (only when GDP taken up)	£120	£168,108	Incentivisation/Promotion	£100	£140,090	Total "Per Household":		£1,682,664	<b>Scheme Funding:</b>				<b>Per Unit Cost</b>	<b>Total Cost</b>	Demonstration Homes	£15,000	£150,000	Mobile Demonstration Units	£35,000	£105,000	Consumer Engagement and Marketing Materials		50,000	Scheme Set-up, Administration, Procurement		200,000	Total Scheme Funding:		£505,000	<b>Grand Total Funding:</b>		<b>£2,187,664</b>
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<p>Please provide a breakdown of match/alternative/EC O funding that the proposals will attract?</p>	<p>The overall sources and uses of funds in our proposals, including the alternative/matching funding is tabulated and graphed below:</p> <table border="1" data-bbox="580 1352 1407 1733"> <thead> <tr> <th colspan="2"><b>Overall Budget - Costs</b></th> </tr> </thead> <tbody> <tr> <td>Energy Efficiency Measures</td> <td>£11,823,596</td> </tr> <tr> <td>Green Deal Assessments</td> <td>£504,324</td> </tr> <tr> <td>Customer Promotions/Incentives</td> <td>£140,090</td> </tr> <tr> <td>Demo Homes/Mobile Displays/Promotion</td> <td>£305,000</td> </tr> <tr> <td>Scheme Overheads</td> <td>£200,000</td> </tr> <tr> <td></td> <td><b>£12,973,010</b></td> </tr> <tr> <th colspan="2"><b>Overall Budget - Funding Sources</b></th> </tr> <tr> <td>ECO/Grants</td> <td>£5,603,600</td> </tr> <tr> <td>Green Deal</td> <td>£4,845,530</td> </tr> <tr> <td>GD Communities Funding</td> <td>£2,187,664</td> </tr> <tr> <td>Funding of Unsuccessful GDAs (landlord/homeowner or other)</td> <td>£336,216</td> </tr> </tbody> </table>	<b>Overall Budget - Costs</b>		Energy Efficiency Measures	£11,823,596	Green Deal Assessments	£504,324	Customer Promotions/Incentives	£140,090	Demo Homes/Mobile Displays/Promotion	£305,000	Scheme Overheads	£200,000		<b>£12,973,010</b>	<b>Overall Budget - Funding Sources</b>		ECO/Grants	£5,603,600	Green Deal	£4,845,530	GD Communities Funding	£2,187,664	Funding of Unsuccessful GDAs (landlord/homeowner or other)	£336,216																					
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<p>How much ECO funding will be available to support each household as a %?</p>	<p>As discussed earlier in this proposal, the future levels of ECO funding, particularly for hard-to-treat measures such as solid wall insulation are highly uncertain as a result of the recently announced proposed changes to ECO. However, it is expected that through the announcement of £90 million over three years for private landlords, stamp duty rebates of up to £4,000 for SWI, the recently extended GD Cashback scheme (with an increase to £4,000 for solid wall insulation), as well as ECO funding through CERO or CSCO creates a strong alternative funding regime. The funding breakdown per household of the estimate average GD package of £8,400 is summarised below:</p>																								

	 <table border="1"> <thead> <tr> <th>Category</th> <th>Value</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Green Deal Cashback/Landlords Funding/ECO Funding</td> <td>4,000</td> <td>47%</td> </tr> <tr> <td>GDCF Green Deal Top-Up (calculated for £100 bill saving)</td> <td>981</td> <td>12%</td> </tr> <tr> <td>Residual Cost - Green Deal Finance</td> <td>3,459</td> <td>41%</td> </tr> </tbody> </table>	Category	Value	Percentage	Green Deal Cashback/Landlords Funding/ECO Funding	4,000	47%	GDCF Green Deal Top-Up (calculated for £100 bill saving)	981	12%	Residual Cost - Green Deal Finance	3,459	41%
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<p>How do the proposals deliver additionality?</p>	<p>This programme will help an area of severe deprivation, which had been expected to benefit from high levels of ECO funding through CERO and CSCO obligations via British Gas Strategic Partnership. With the proposed revisions to the ECO obligations, it has been made clear that additional support will be required in order to continue. As discussed in this bid, the Green Deal has the potential to bridge the funding gap, but as this is an especially hard to reach sector, extra help is needed to give the programme momentum.</p> <p>Funding from the GDCF will be the life saver of this existing HECA planned programme. Should funding for this programme not be found, we strongly feel that the opportunity would be missed. Without the “top-up” funding being provided through this programme and the consequent “£100 bill saving” message, uptake of SWI-led Green Deal would be limited.</p> <p>The learnings from this programme will enable other similar programmes to be run across hard-to-treat urban centres with hard-to-reach occupants throughout the UK.</p>												

Please provide a table of the key milestones to deliver the proposals and a brief risk register with mitigation actions.

Key Programme Milestones	Milestone Date
Selective Licensing proposal approved	31 January
GDCF funding awarded	31 January
Set up a Programme Management Team to handle partner management, promotion design, marketing, offer fulfilment and programme reporting	15 February
GDP tender conducted – partner(s) / framework selected	20 March

Demonstration properties identified	01 March
Demonstration properties completed	15 April
Marketing literature and proposition prepared for launch	15 March
Community leaders engagement in proposition support	12 April
Market engagement commences – Phase 1	15 April
Initial Demonstration Days	01 May, 01 June, 01 July
Phase 1 initial review to measure results against initial targets.	15 June
Phase 2 commencement decision	06 September
Phase 2 mobile interactive show home / engagement programme commences	September
Phase 2 initial review	31 October
End of programme review	15 December

<b>Key Programme Risks</b>	<b>Mitigation Actions</b>
Selective Licensing Programme is not approved or decision is delayed	Scheme continues but without the same regulatory enforcement.
Council has resource limitations preventing the establishment of a suitable programme management team.	Most of resources required already identified. Build the requirement to provide programme resource into the GDP tender
Not enough suitable demonstration house applicants come forward.	Extend the search into the social housing portfolios on the same streets
Demonstration House occupants don't cooperate with the work programme	Set a clear timetable at the start that the landlords / tenants have to stick to, or they lose their place on the scheme with penalties.  Prioritise the selection of void properties.  Launch with the ones that are ready.
GD Landlord finance scheme details aren't available / launched in time.	Mitigated by extension of Green Deal Cashback scheme until June 30 <sup>th</sup> and increase in cashback for SWI to £4,000 and by availability of ECO funding for measures.

<p>Landlord engagement is weak.</p>	<p>Process will start early.</p> <p>Local (business / faith) community influencers are identified and engaged.</p> <p>Various engagement messages will be tested for fit, relevance and understand-ability before finalisation.</p> <p>Foreign language issues are considered and catered for in the communication materials.</p>
<p>Tenant engagement is weak.</p>	<p>Foreign language issues are considered and catered for in the communication materials.</p> <p>Tenant rights education built into the messages.</p> <p>Various engagement messages will be tested for fit, relevance and understand-ability before finalisation.</p> <p>Target the activity principally at landlords, and especially looking for voids.</p> <p>Word of mouth marketing based on house by house roll-out.</p>
<p>Attendance is poor at outreach events.</p> <p>Enthusiasm is limited.</p>	<p>Link events to either a prize of some sort, or to another event such as a briefing on the licensing scheme to drive turnout.</p> <p>Take feedback from the first event and use this to improve the later events.</p> <p>Ensure the events are held at a suitable local venue.</p> <p>Use multiple marketing approaches to drive attendance (leaflets, radio, community promotion)</p>
<p>Funding is running short (at reviews)</p>	<p>Review propositions to enable remaining funding to be spread further.</p>
<p>GDP / Installer doesn't perform</p>	<p>Create a service level agreement as part of GDP selection process. Build in fixed review periods and ensure they are followed. Take action as soon as programme targets start to slip.</p>



## **2.4 Provide learning**

Please provide a brief description of how learning from the project would be collected and shared (max 200 words).

The Programme Management Team will be tasked with creating and delivering a programme reporting system in collaboration with all the delivery partners. Reporting will focus on:

- the testing and results of a variety of propositions, engagement messages and communication mechanisms on the various target groups (landlords, tenants, owner /occupiers)
- the impact that working in a concentrated area has had on both GD Plan take-up and installation costs / practicalities
- conversion rates from GDAR to GD Plan and installation
- the impact on carbon reduction and cost savings
- the impact of DECC's new Green Deal initiatives to encourage take-up
- target market feedback in general
- stakeholder feedback

The results of the measurement and reporting will be compiled into a "Lessons Learned Journal" that will be published quarterly on the council website and made available to DECC and other stakeholders. The council will also deliver at least one seminar and open day event on the programme, its outcomes and the lessons learned towards the end of the programme to which all the stakeholders and partners will be invited, as well as extending an open invitation to other councils nationwide via the Local Government Association.

## **2.5 Installer Training**

If bidding for the separate installer training funding briefly give an overview of the proposal and how it will support the development of the installer supply chain (max 200 words)

We have chosen to put the burden of funding local training and job creation on the installation companies rather than seek funding through this bid as we would prefer to see the funding available directed into helping this vulnerable community directly and believe that the local delivery supply chain will be best placed to deliver the training and skills required.

## Further information

- (i) Please explain how the proposals support and enhance the LA's plans for area based delivery of energy efficiency measures as set out in their 2013 Home Energy Conservation Act report.

### **Current PCC Initiatives in the Target Area that this bid supports:**

- PCC has a co-ordinated campaign in place to improve living conditions and health and reduce crime and public disorder. This campaign is known as **"Operation Can-Do"** (ref HECA Report March 2013 and described herein).
- Through the **Strategic Partnership with British Gas** (Green Deal, ECO and fuel efficiency projects), as (Ref March 2013 HECA Report) PCC has been rolling out a programme of ECO-funded energy efficiency improvements in this area, known as the *Heataborough Project*.
- PCC has been awarded DECC funding for an ongoing PCC-led collective switching campaign called "Ready to Switch". This campaign has established a network of local community leaders and voluntary sector bodies which will be instrumental in the rollout of the GD Communities Fund programme.

(ii) Please provide a statement of how the proposals have been considered against state aid requirements.

A crucial part of PCC's approach to using GD Communities Fund money will be to ensure that any payment that it gives for the installation of Green Deal measures is given directly to Green Deal customers in the form of a voucher, and not directly to a Green Deal Assessor ("**Assessor**") or Green Deal Provider ("**Provider**"). This will ensure that although PCC intends to work with a preferred Assessor and Provider, any beneficiary of the proposed scheme will still be free to use any Assessor or Provider that it wishes; and will still be entitled to receive a Fund payment from PCC regardless of whether or not a PCC procured Assessor or Provider is used. This is in keeping with compliance of the Green Deal Code of Practice and the Green Deal legislation that seeks to ensure customers have freedom to choose their Assessor and Provider.

In terms of procurement, PCC will support this approach by procuring any partner Assessor or Provider as a concession for works or services (as necessary) under the public procurement regulations. While ensuring compliance with the law, this will also efficiently minimise the administrative burden of procurement. As such, any procured Assessor or Provider will simply be given the opportunity via PCC (rather than an entitlement) to access the Green Deal market in Peterborough. The procured Assessor or Provider (and not PCC) will therefore assume the risk of performing the Green Deal works or services; as well as facing active competition from other Assessors and Providers active within Peterborough.

While PCC has already taken legal advice on this issue, PCC is very mindful of the ongoing need for legal compliance and transparency in its involvement with private enterprises. PCC will continue to monitor the procurement implications of its proposal and has set aside £50,000 as part of this application to ensure that, if necessary, sufficient funds are available for it to implement any further procurement measures than those already taken.

In terms of State aid, under PCC's proposal and as outlined above, PCC will not have any financial relationship with either a Assessor or a Provider; i.e. no Assessor or Provider will receive money directly from PCC. Instead, any Fund payments made by PCC will be given to individuals or Registered Social Landlords in the form of a voucher, redeemable by that customer when it demonstrates that a Green Deal installation has been arranged for its property.

While this structure does much to minimise the possibility of unlawful State aid, PCC has been mindful of State aid occurring by other means, for example through appointment of other service providers under the programme (administrative services, creative and print agencies). As such, PCC has taken specialist legal advice on the issue, and will continue to monitor and deal with any possible State aid issues throughout the delivery of its scheme. Equally, PCC has previously taken State aid (and procurement) advice regarding its existing "Heathborough" Strategic Partnership with British Gas and will continue to monitor the State aid implications of this ongoing relationship.

# Appendix 1 – Street Areas and Context

## The Target Area

The map below shows marked in red the 10 target streets for Phase 1 of the project, indicating the number of dwellings on each road, with the boundary for Phase 2 of the project shown bordered in blue.



This is a list of the postcode areas in the 10 target streets that the project will target in phase 1

<b>Postcode</b>	<b>Street</b>	<b>No of Properties</b>
PE1 2AW	Bourges Boulevard	49
PE1 2AU	Bourges Boulevard	12
PE1 2AT	Bourges Boulevard	38
PE1 2AN	Bourges Boulevard	39
PE1 2AL	Bourges Boulevard	17
PE1 2AJ	Clarence Road	14
PE1 2DL	Clarence Road	22
PE1 2LH	Clarence Road	19
PE1 2LA	Clarence Road	36
PE1 2LB	Clarence Road	37
PE1 2LE	Clarence Road	54
PE1 2LQ	Clarence Road	33
PE1 2LF	Clarence Road	41
PE1 2HR	Cromwell Road	17
PE1 2EB	Cromwell Road	35
PE1 2EG	Cromwell Road	27
PE1 2EL	Cromwell Road	34
PE1 2EQ	Cromwell Road	23
PE1 2EU	Cromwell Road	35
PE1 2HG	Cromwell Road	41
PE1 2HP	Cromwell Road	17
PE1 2HQ	Cromwell Road	34
PE1 2EA	Cromwell Road	9
PE1 3NJ	Crown Street	14
PE1 3JB	Crown Street	25
PE1 3JA	Crown Street	39
PE1 3HZ	Crown Street	37
PE1 3HY	Crown Street	37
PE1 3HX	Crown Street	62
PE1 3NL	Crown Street	4
PE1 3HD	Crown Street	1
PE1 3AH	Dogsthorpe Road	13
PE1 3AA	Dogsthorpe Road	14
PE1 3AD	Dogsthorpe Road	17
PE1 3BZ	Dogsthorpe Road	33
PE1 3AY	Dogsthorpe Road	32
PE1 3AT	Dogsthorpe Road	33
PE1 3AQ	Dogsthorpe Road	15
PE1 3AJ	Dogsthorpe Road	11
PE1 3PB	Dogsthorpe Road	22

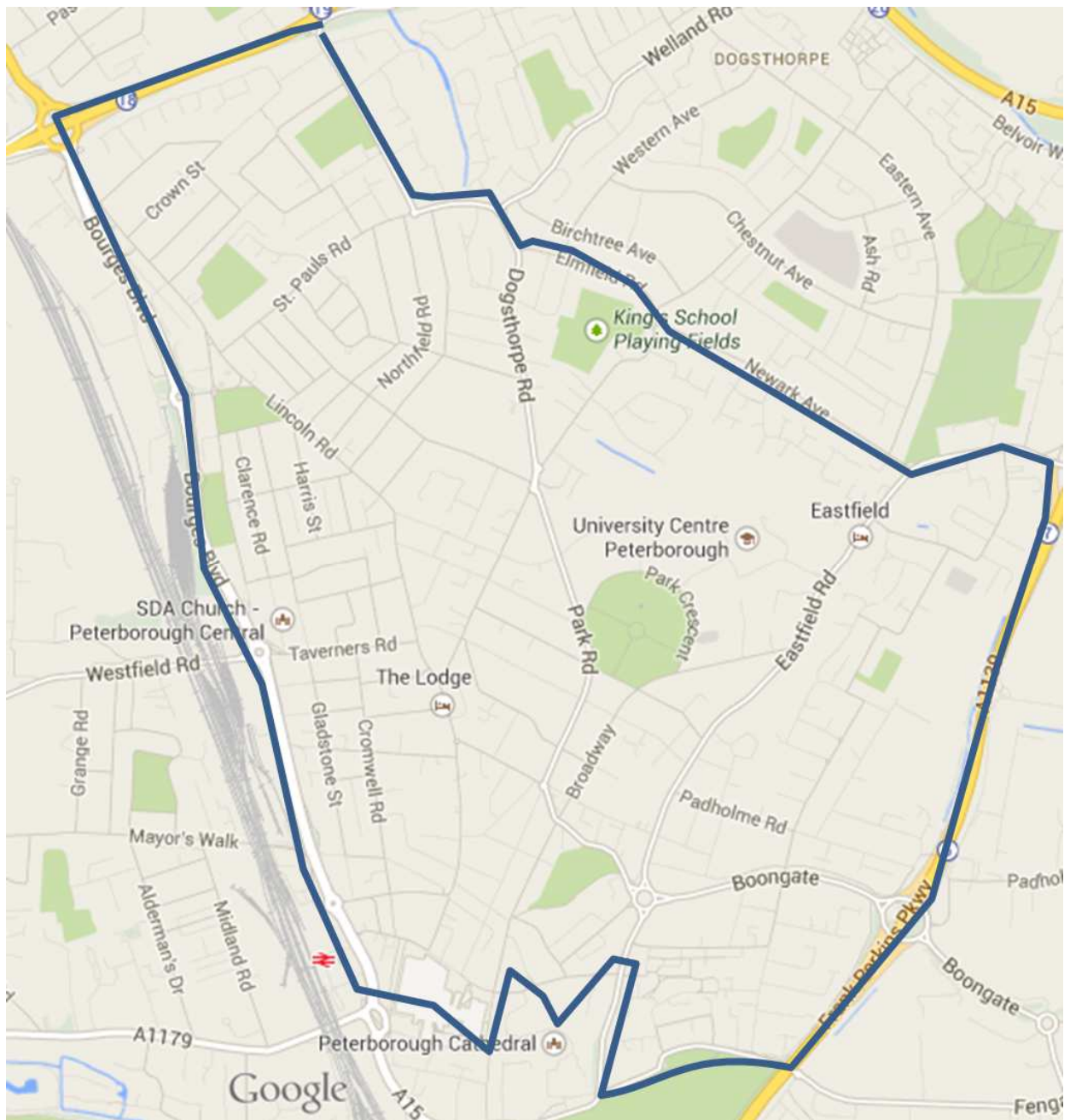
<b>Postcode</b>	<b>Street</b>	<b>No of Properties</b>
PE1 3AG	Dogsthorpe Road	8
PE1 3AF	Dogsthorpe Road	16
PE1 3AL	Dogsthorpe Road	9
PE1 3PJ	Dogsthorpe Road	3
PE1 3AE	Dogsthorpe Road	12
PE1 3PF	Dogsthorpe Road	18
PE1 3PL	Dogsthorpe Road	16
PE1 3PA	Dogsthorpe Road	27
PE1 3PG	Dogsthorpe Road	5
PE1 4AS	Eastfield Road	22
PE1 4AR	Eastfield Road	16
PE1 4AN	Eastfield Road	27
PE1 4RY	Eastfield Road	4
PE1 4RB	Eastfield Road	45
PE1 4RD	Eastfield Road	13
PE1 4BH	Eastfield Road	79
PE1 4RA	Eastfield Road	41
PE1 4AP	Eastfield Road	16
PE1 4BE	Eastfield Road	8
PE1 4BD	Eastfield Road	23
PE1 4AX	Eastfield Road	32
PE1 4AW	Eastfield Road	24
PE1 4AU	Eastfield Road	32
PE1 2BY	Gladstone Street	39
PE1 2BX	Gladstone Street	24
PE1 2BB	Gladstone Street	7
PE1 2BD	Gladstone Street	33
PE1 2BE	Gladstone Street	26
PE1 2BL	Gladstone Street	65
PE1 2BN	Gladstone Street	59
PE1 2DA	Gladstone Street	18
PE1 2BS	Gladstone Street	34
PE1 2DQ	Gladstone Street	36
PE1 2BZ	Gladstone Street	22
PE1 2DB	Gladstone Street	19
PE1 2DD	Gladstone Street	28
PE1 2DE	Gladstone Street	34
PE1 2DG	Gladstone Street	34
PE1 2DN	Gladstone Street	14
PE1 2BP	Gladstone Street	26

<b>Postcode</b>	<b>Street</b>	<b>No of Properties</b>
PE1 2LZ	Harris Street	51
PE1 2LY	Harris Street	63
PE1 2RY	Lincoln Road	11
PE1 2GB	Lincoln Road	14
PE1 2RZ	Lincoln Road	2
PE1 3HJ	Lincoln Road	34
PE1 3HH	Lincoln Road	25
PE1 3HG	Lincoln Road	26
PE1 3HE	Lincoln Road	21
PE1 3HD	Lincoln Road	29
PE1 3HA	Lincoln Road	30
PE1 2RL	Lincoln Road	3
PE1 2SH	Lincoln Road	18
PE1 2NA	Lincoln Road	40
PE1 2RR	Lincoln Road	1
PE1 2RH	Lincoln Road	18
PE1 2RE	Lincoln Road	25
PE1 2RD	Lincoln Road	49
PE1 2ND	Lincoln Road	21
PE1 2PN	Lincoln Road	3
PE1 2PL	Lincoln Road	40
PE1 2PH	Lincoln Road	2
PE1 2PF	Lincoln Road	24
PE1 2PE	Lincoln Road	2
PE1 2PB	Lincoln Road	38
PE1 2NW	Lincoln Road	18
PE1 2PA	Lincoln Road	1
PE1 2NR	Lincoln Road	20
PE1 2NT	Lincoln Road	28
PE1 2PW	Lincoln Road	55
PE1 2NQ	Lincoln Road	16
PE1 2SN	Lincoln Road	28
PE1 3RN	St Pauls Road	16
PE1 3ED	St Pauls Road	25
PE1 3RZ	St Pauls Road	5
PE1 3RJ	St Pauls Road	12
PE1 3EH	St Pauls Road	7
PE1 3EE	St Pauls Road	16
PE1 3DW	St Pauls Road	18
PE1 3DR	St Pauls Road	37

<b>Postcode</b>	<b>Street</b>	<b>No of Properties</b>
PE1 3DP	St Pauls Road	21
PE1 3DN	St Pauls Road	42
PE1 3EF	St Pauls Road	15

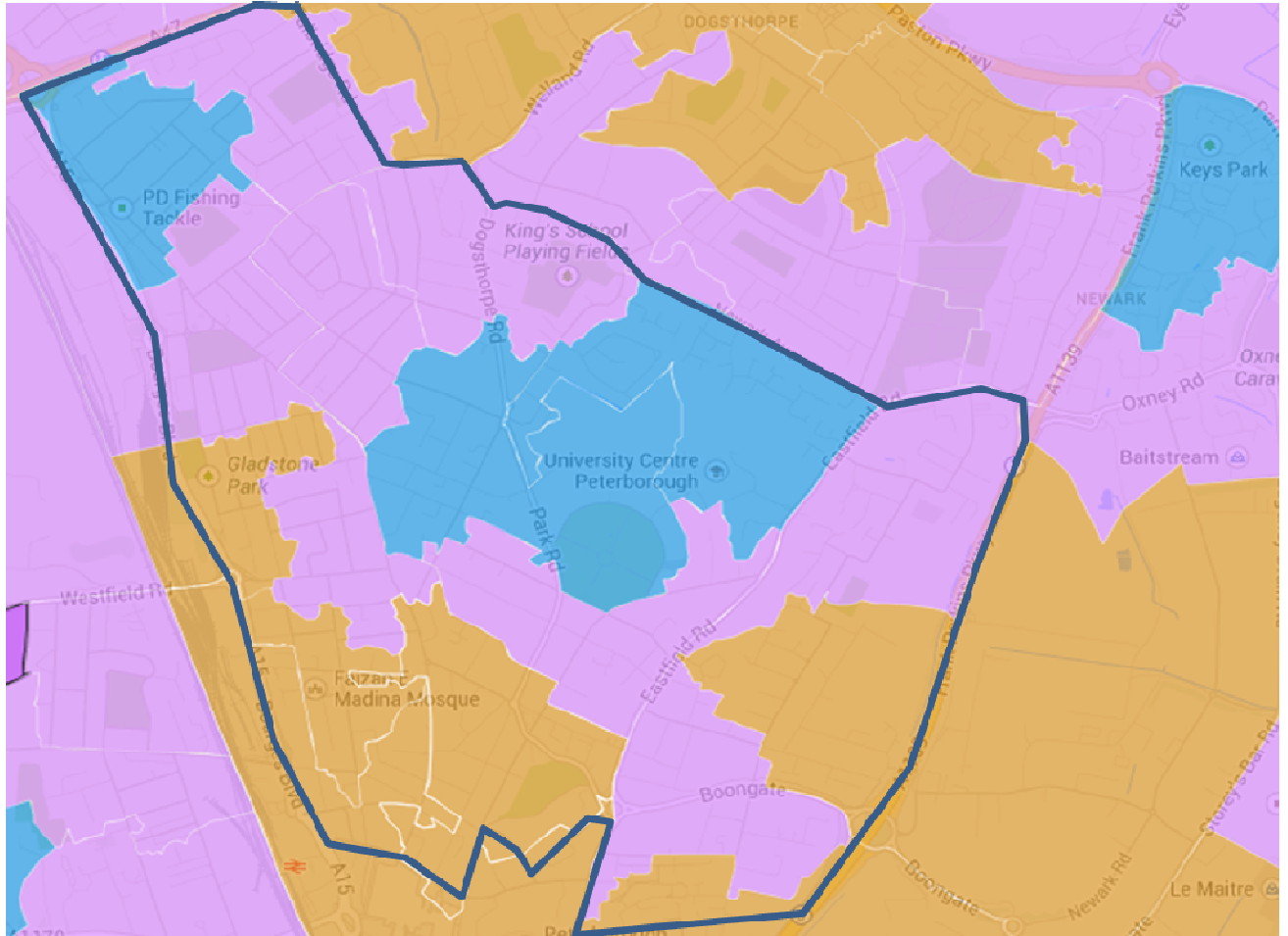


A more detailed map of the whole Target Area is shown below:



## CSCO Funding

Below is a map of the Northern half of the city showing the boundary of the Target Area overlaid on the CSCO LSOA postcode map. The areas marked in orange are CSCO areas, and the areas marked in pink are CSCO adjoining areas. The light blue areas (largely the University campus) are outside of CSCO. With DECC's current proposal to extend CSCO to the lowest 25% of LSOAs on the Index of Multiple Deprivation, most of the Target Area will then fall into CSCO. This will offer a greater opportunity to leverage ECO funding alongside Green Deal and GD Communities funding.



## Appendix 2 – Property Images

The following photographs from each of the ten streets in Phase 1 of the Target Area. These photos demonstrate the largely homogenous terraces of two and three bedroom dwellings, which will enable us to drive economies of scale through street-by-street rollout. They also demonstrate the variety of renders and finishes that have already been applied to some of the properties, such that the application of a more uniform external wall insulation finish will greatly improve the appearance of the streets and therefore assist in the urban regeneration goals of Project Can-do.

Street Address	Property Photo
1076 Bourges Boulevard	

447  
Clarence  
Road



265  
Cromwell  
Road



145 Crown Street



164 Dogsthorpe Road



92 Eastfield Road



114 Gladstone Street



18 Harris Street



364 Lincoln Road



89 St Paul's Road



# Appendix 3 – GD Communities Funding Breakdown

## Requirement for GD Communities funding for measures:

<u>Expected Green Deal Plan Measure Mix</u>	Uptake	Cost	Bill Saving	Wtd. Cost	Wtd. Saving
External Wall Insulation	100%	7,000	300	7,000	300
Heating System Replancement	33%	2,000	200	660	66
Glazing (alongside EWI)	50%	1,500	120	750	60
Loft Insulation	10%	300	140	30	14
				8,440	440

<u>Financing Per Household</u>	
Weighted Cost of Green Deal Plan	8,440
Green Deal Cashback/Landlords Funding/ECO Funding	4,000
GDCF Green Deal Top-Up (calculated for £100 bill saving)	<b>981</b>
Residual Cost - Green Deal Finance	3,459
Weighted Annual Energy Saving	440
Green Deal Finance - Interest Rate	8%
Monthly	0.64%
Green Deal Period	20
Green Deal Payments	£28.33
Energy Savings	£36.67
Net Annual Energy Bill Savings	100.00

## Breakdown of GD Communities Funding on “per household” basis:

<b>Total "Per Customer" Subsidy</b>	
Green Deal Top-Up	981
Green Deal Assessment	120
Incentives/Promotion	100
Total Subsidy Cost Per Household	1,201
<b>Phase 1 - Intensive Targeting of Catchment Streets</b>	
Number of dwellings in Phase 1 Catchment Streets	3,076
Penetration	20%
Number of Green Deal Plans written	615
Total Cost of Per Household Incentives	£738,936
<b>Phase 2 - Wider Rollout across Target Area</b>	
Number of dwellings in Phase 2 of Target Area	7,857
Penetration	10%
Number of Green Deal Plans written	786
Total Cost of Per Household Incentives	£943,729
Total Green Deal Plans written	1,401
Total Per Household Costs	£1,682,664



**Breakdown of GD Communities Funding – other costs:**

<b><u>Additional Costs - not per household</u></b>	
<b><u>Demonstration Homes</u></b>	
Number of Demonstration Homes	£10
Cost of Full EE Makeover	£15,000
Total Cost of Demonstration Homes	£150,000
<b><u>Mobile Demonstration Units</u></b>	
Number of Units	£3
Cost per Mobile Demonstration Unit	£35,000
Total Cost of MDUs	£105,000
<b><u>Consumer Engagement, Marketing and Promotional Materials</u></b>	
Design, content and printing	£50,000
<b><u>Scheme Overheads</u></b>	
Scheme Set-Up	£50,000
Scheme Administration	£100,000
Procurement/Tendering	£50,000
Total Overheads:	£200,000
<b><u>Total Fixed Costs</u></b>	<b>£505,000</b>

**Grand Total GD Communities Funding:**

<b><u>Total GDCF Funding</u></b>	
Per Customer	£1,682,664
Not Per Customer	505,000
Total GDCF Funding	£2,187,664